

7590-01-P

NUCLEAR REGULATORY COMMISSION

[NRC-2012-0044]

In the Matter of

**CENTRAL VERMONT PUBLIC
SERVICE CORPORATION**

GAZ MÉTRO LIMITED PARTNERSHIP**DOMINION NUCLEAR CONNECTICUT, INC.**

(Millstone Power Station, Unit 3)

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Docket No. 50-423

Order Approving Application Regarding Proposed Merger Of Central Vermont Public Service Corporation and Gaz Métro Limited Partnership and Indirect Transfer of License

1.

Dominion Nuclear Connecticut, Inc. (DNC or the licensee) is authorized to act as the agent for the joint owners of the Millstone Power Station, Unit 3 (MPS3), and has exclusive responsibility and control over the physical construction, operation, and maintenance of the facility as reflected in the Renewed Facility Operating License No. NPF-49. Central Vermont Public Service Corporation (CVPS), one of the joint owners, holds a 1.7303% minority interest in MPS3. MPS3 is located in the town of Waterford, Connecticut.

11.

By letter dated September 9, 2011, as supplemented on November 4, 2011, April 6, 2012, and May 4, 2012 (collectively, the application), CVPS and Gaz Métro Limited Partnership (Gaz Métro) submitted an application requesting that the U.S. Nuclear Regulatory Commission (NRC or the Commission) consent, pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) 50.80, to the indirect transfer of control of the operating license for MPS3 to the extent held by CVPS, resulting from the acquisition of CVPS by Gaz Métro.

The application states that on July 11, 2011, CVPS, Gaz Métro, and Danaus Vermont Corp., an independent wholly owned subsidiary of Gaz Métro formed as a merger subsidiary, entered into an Agreement and Plan of Merger. The merger agreement provides that Danaus Vermont Corp. will merge with and into CVPS, with CVPS continuing as the surviving corporation and an indirect wholly owned subsidiary of Gaz Métro. As a result of the transaction, CVPS will become a direct subsidiary of Northern New England Energy Corporation, a Gaz Métro subsidiary and holding company organized and existing under the laws of the State of Vermont and formed to own Gaz Métro's energy-company investments in the United States.

According to the application, CVPS is a Vermont corporation and the largest electric utility in Vermont. Gaz Métro is a Canadian energy company. The merger of Gaz Métro with CVPS will result in the indirect transfer of control of CVPS' 1.7303% interest in the license for MPS3. The principal owner and operator of MPS3 is DNC, which owns 93.4707%. The remaining 4.7990% of the license is owned by Massachusetts Municipal Wholesale Electric Company. This transfer does not affect Massachusetts Municipal Wholesale Electric Company's ownership or DNC's ownership and operation of the facility.

No physical changes to the MPS3 facility or operational changes are being proposed in the application.

Notice of the request for approval and opportunity for a hearing was published in the *Federal Register* on February 27, 2012 (77 FR 11596). No comments or hearing requests were received.

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. Upon review of the information in the application as supplemented and

other information before the Commission, and relying upon the representations and agreements in the application, the NRC staff has determined that the proposed merger between CVPS and Gaz Métro, as described in the application, will not affect the qualifications of DNC as a holder of the Renewed Facility Operating License No. NPF-49, and that the indirect transfer of the license, to the extent effected by the proposed acquisition, is otherwise consistent with applicable provisions of law, regulations, and Orders issued by the Commission, pursuant thereto, subject to the conditions set forth herein. The foregoing findings are supported by a safety evaluation (SE) dated June 15, 2012.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended (the Act), 42 U.S.C. Sections 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, IT IS HEREBY ORDERED that the application regarding the indirect license transfers related to the proposed corporate merger, as described herein, is approved, subject to the following conditions:

1. The Negation Action Plan provided to the NRC for review on April 6, 2012 may not be modified in any respect concerning decision-making authority over "safety issues" as defined therein without the prior written consent of the Director, Office of Nuclear Reactor Regulation.
2. At least half the members of CVPS' Board of Directors shall be U.S. citizens.
3. The Chief Executive Officer (CEO), Chief Nuclear Officer (CNO) and Chairman of the Board of Directors of CVPS shall be U.S. citizens. These individuals shall have the responsibility and exclusive authority to ensure and shall ensure that the business and activities of CVPS with respect to the

MPS3 license is at all times conducted in a manner consistent with the public health and safety and common defense and security of the United States.

4. The CVPS Board of Directors will establish a Special Nuclear Committee (SNC) composed of U.S. citizens, a majority of whom are not officers, directors, or employees of CVPS, Gaz Métro, or any Gaz Métro subsidiaries. The SNC will report to the CVPS Board of Directors on a quarterly basis for informational purposes. The SNC will make available to the NRC for review these and any other reports regarding foreign ownership and control of nuclear operations.
5. Should the proposed corporate merger not be completed within 1 year from the date of this Order, this Order shall become null and void, provided, however, upon written application and good cause shown, such date may be extended by Order.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated September 9, 2011 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML11256A051), as supplemented by letters dated November 4, 2011 (under ADAMS Accession No. ML11311A148), April 6, 2012 (under ADAMS Accession No. ML12100A017), and May 4, 2012 (under ADAMS Accession No. ML12128A433) and the SE dated June 15, 2012, which are available for public inspection at the NRC's Public Document Room (PDR), located at One White Flint North, Room O1- F21, 11555 Rockville Pike (first

floor), Rockville, MD. Publicly available documents created or received at the NRC are accessible electronically through ADAMS in the NRC Library at <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS, or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR reference staff by telephone at 1-800-397-4209 or 301-415-4737, or by e-mail to pdr.resource@nrc.gov.

Dated at Rockville, Maryland, this 15th day of June 2012.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Louise Lund, Acting Director
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation